

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.3% Vacancy Rate	▲	▲
-8,651 Net Absorption, SQM	▲	▼
1.5% Rental Growth, QoQ <i>(Overall, Grade A)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.8% GDP Growth	▼	▲
2.3% CPI Growth	▲	▬
4.1% Unemployment Rate	▲	▼

Source: Statistics Korea, Bank of Korea

ECONOMIC OVERVIEW

South Korea's GDP growth rose to 1.8% in Q4 2025, supported by an export recovery, although the unemployment rate climbed into the 4% range for the first time in four years, reflecting weaker labor market conditions amid declining corporate investment. Inflation remained stable at 2.3%, but constrained employment conditions continue to limit household consumption. Looking ahead, a gradual recovery in employment and sustained price stability are expected to support modest economic expansion in the high-1% range in 2026.

VACANCY RATES AND RENTAL GROWTH

The average Seoul Grade A office vacancy rate edged up 0.1 pp q-o-q to 4.3% in Q4 2025, with rises in the CBD and GBD submarkets partly offset by a fall at YBD. The average vacancy rate has now continued a gradual upward trend since Q1 2024. Quarterly rental growth reached 1.5%, 0.4 pp higher y-o-y.

The CBD vacancy rate rose 0.2 pp q-o-q to 6.2%, driven by active intra-submarket relocations by large corporates. Hanwha Ocean's move to Daesin Finance Center created vacancy at Grand Central, while Hanwha Loss Adjusting leased space at the Seoul Chamber of Commerce and Industry. Vacancy at Gran Seoul, following the exit of SK Group affiliates, was partially absorbed by Sejong Law Firm's expansion and Seoul Guarantee Insurance's relocation.

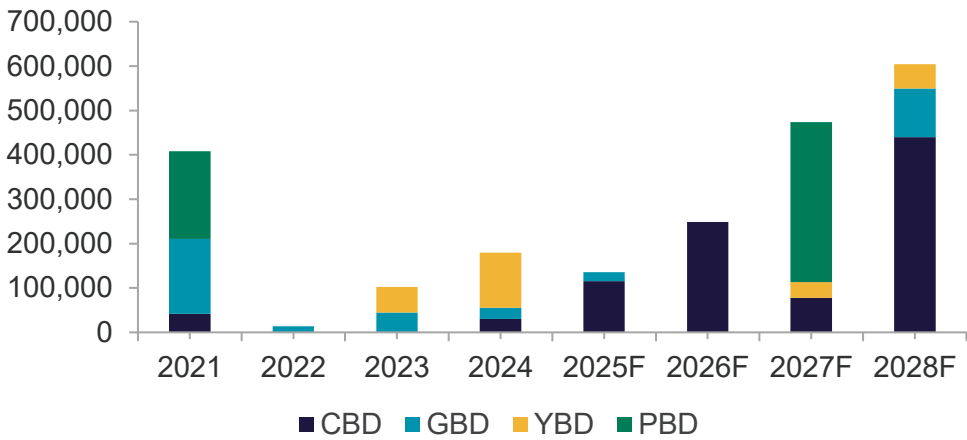
The GBD vacancy rate increased 0.3 pp q-o-q to 2.9%, mainly due to sizable vacancy at Majesta City Tower 2 following Yogiyo's headquarters relocation. Part of the vacant space is expected to be absorbed by Kong Studios Korea. Leading K-beauty firm Goodai Global plans to use as its headquarters the former office building vacated by F&F, which relocated to Centerpoint Gangnam.

YBD submarket recorded a 0.4 pp q-o-q decline in vacancy to 3.2%, supported by continued absorption at One Sentinel. Newly signed tenants, including Fire Insurance Association and Mirae Asset Securities, are set to move in. At Parc1 Tower 2, vacancy was further reduced as JustCo opened a new branch and NanoH2O signed a relocation lease.

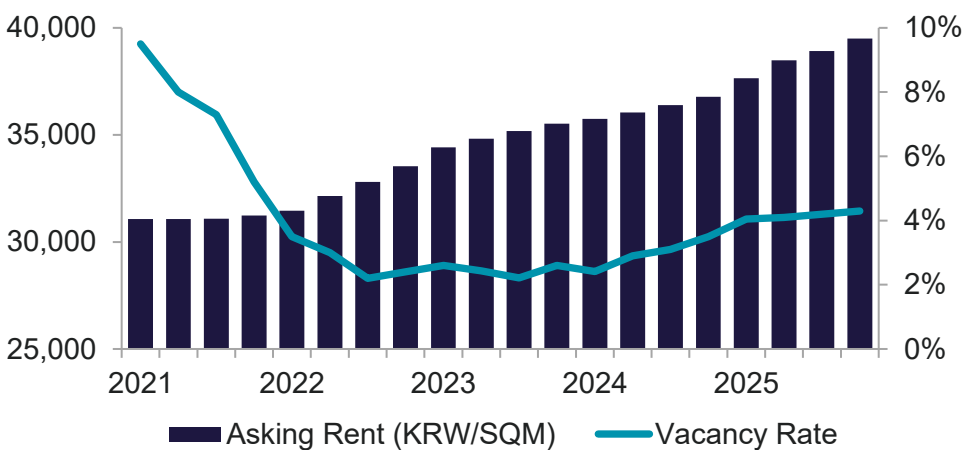
SUPPLY

For 2026, three CBD urban redevelopment projects are nearing completion and actively marketing to tenants. The first scheduled to complete construction and commence leasing will be G1 Seoul (Gongpyeong 15·16), to be followed by Rene Square (Euljiro 3-ga 6), and Eul Tower (Euljiro 3-ga 12).

GRADE A SUPPLY



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM)	OVERALL AVG ASKING RENT (KRW/SQM)*
CBD	4,420,601	6.2%	-7,141	-5,189	766,803	39,623
GBD	3,791,155	2.9%	-10,421	43,285	109,503	41,998
YBD	2,052,831	3.2%	8,911	-17,463	89,970	32,762
SEOUL TOTALS	10,264,587	4.3%	-8,651	20,633	966,277	39,498
Pangyo	797,664	2.1%	12,706	-13,717	360,739	28,011

\*Rental rates does not reflect full service asking

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Daesin Finance Center	CBD	Hanwha Ocean	12,300	Relocation
Seoul Chamber	CBD	Hanwha Loss Adjusting	4,250	Relocation
Pine Avenue A	CBD	Hanwha Aerospace	2,770	Expansion
Gran Seoul	CBD	Sejong Law Firm	3,590	Expansion
Gran Seoul	CBD	Seoul Guarantee Insurance	3,590	Relocation
Jongno Place	CBD	Hyundai Construction	6,520	Relocation
F&F Building	GBD	Goodai Global	13,260	Relocation
Majesta City Tower 2	GBD	Kong Studios Korea	2,190	Expansion
POSCO Tower	GBD	Sigongtech	3,250	Relocation
Lotte World Tower	GBD	Torriden	7,220	Relocation
Samseong-dong Building	GBD	Unilever Korea	2,550	Relocation
One Sentinel	YBD	Fire Insurance Association	5,050	Relocation
One Sentinel	YBD	Mirae Asset Securities	790	Expansion
Parc.1 T1	YBD	Shinmi Global	2,000	Relocation
Parc.1 T2	YBD	JustCo	3,420	New Branch
Parc.1 T2	YBD	NanoH2O	1,300	Relocation

\*Grade A buildings only; based on contract date and leasable area

KEY PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SQM	COMPLETION YEAR
G1 Seoul (Gongpyeong 15·16)	CBD	143,400	2026
Rene Square (Euljiro 3-ga 6)	CBD	60,400	2026
Eul Tower (Euljiro 3-ga 12)	CBD	44,900	2026

\*Grade A buildings only

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